

Master Affiliate Compensation & Payments Terms of Services Updated: February 20, 2024

The PassPass Partner Affiliate Sales Associate Plan is a two-tiered structure with three ways to earn residual commissions as well as a bonus structure for achieving personal sales volume milestones.



All affiliate partner sales associates agree to the terms of the latest master Affiliate Terms of Services located at Passpass.com/legal



Premier Partner Membership Sales Commission Plan

Category	Description	
Member Referrals	Earn a monthly referral commission for individual members that sign up through your web affiliate referral link or directly through the app within Google and Apple apps. Referral Commissions are paid out as follows: In-App (Apple or Google): \$1.75 per month per active member	
Tier 1 Premier Partner Member Sales	Partner Affiliate Sales Associates can sign up Premier Partners to the Premier Partner Program and earn a monthly commission on all membership sales by the Premier Partner	
	Active Members	Commission Rate
	0-4,999 5,000 - 9,999 10,000 - 24,999 25,000 - 49,999 50,000 - 99,999 100,000+	\$0.250 per member per month \$0.275 per member per month \$0.300 per member per month \$0.325 per member per month \$0.350 per member per month \$0.375 per member per month
Tier 2 Premier Partner Member Sales	Partner Affiliate Sales Associates can refer other Partner Affiliates Sales Associates (Their Team) to sell Premier Partners onto the PassPass program and make a commission of their membership sales. This is called "Tier 2" Commissions. Commissions on the 2nd Tier are only paid on Memberships sold by Premier Partners, not on Member Referrals.	
	Active Members	Commission Rate
	0-4,999 5,000 - 9,999 10,000 - 24,999 25,000 - 49,999 50,000 - 99,999 100,000+	\$0.125 per member per month \$0.150 per member per month \$0.175 per member per month \$0.200 per member per month \$0.225 per member per month \$0.250 per member per month



Earn a title promotion each time you achieve a new tier of active monthly members. Promotions are achieved from Tier 1 Affiliate Premier Partner Sales

Active Members	Status
0-4,999	Partner Advisor
5,000 - 9,999	Sr. Partner Advisor
10,000 - 24,999	Partner Manager
25,000 - 49,999	Partner Director
50,000 - 99,999	Sr. Partner Director
100,000 - 249,000	Executive Director - President's Club
250,000 - 499,000	Executive Director - President's Club - Gold Status
500,000 - 999,999	Executive Director - President's Club - Platinum Status
1,000,000+	Executive Director - President's Club - Diamond Status

Earn a one time bonus payouts as you achieve each tiered level of active monthly members. Promotions are achieved from Tier 1 Affiliate Premier Partner sales or a combination of Tier 1 and Tier 2 Premier Partner sales.

Active Monthly Members	Bonus
5,000	\$250.00
10,000	\$500.00
25,000	\$1,250.00
50,000	\$2,500.00
100,000	President's Trip
250,000	\$12,500.00
500,000	\$25,000.00
1,000,000	\$50,000.00



Commissions, Bonuses, Promotions & Payouts

- 1. **Commissions & Payouts:** To receive commissions and payouts, an Affiliate Partner Sales Associate must maintain the following requirements:
 - a. The affiliate must be an active PassPass Member, if their account goes inactive for more than 30 days they may be subject to account suspension or termination
 - b. If an account is suspended, past earnings up until the date of account suspension will continue to be shown in the account until the account is reactivated or terminated, but no new commissions will be earned post suspension until the account is reactivated
 - c. If an account is terminated due to non member status after 30 days, any commissions on future earnings may be forfeited
 - d. If a Tier 2 affiliate is referred by a Tier 1 affiliate and has personal sales volume, and the Tier 2 affiliate is suspended or terminated from the PassPass affiliate program, the personal sales volume is still considered active and the Tier 1 affiliate will continue to earn override commissions from the Tier 2, suspended affiliate's personal sales volume as long as the Tier 1 affiliate is active and in good standing and as long as the memberships are active
 - e. All affiliates must follow the company personal conduct policy
 - f. If an account is terminated due to breaking the company personal conduct policy, all accrued commissions through the date of termination will be paid out net 30 from the termination date, however, no future earnings will be accrued or paid
 - g. The Company alone is responsible for determining if an Affiliate Partner Sales
 Associate has broken the <u>personal conduct policy</u> and has the right to suspend,
 terminate or reinstate the Affiliate Partner Sales Associate account
 - h. The affiliate must maintain a synced bank account to the PassPass affiliate portal through the payment integration in the admin tools in order to receive payouts
 - i. If a bank account becomes in-active due to any reason, any earnings that have accrued will remain in the affiliate account to be withdrawn at a future date when the bank-sync is reinstated, if an affiliate is an active member and in good-status, future earnings will continue to be accrued and can be withdrawn at a future date when the bank account is synced through the affiliate portal
 - j. Affiliates are considered non-employees and will receive non-employee compensation 1099's at the end of each fiscal year within 30 days of the previous period



- k. Payments and commissions cannot be transferred between accounts. If an affiliate is suspended or terminated and they attempt to sign up under a different account, they shall have no rights to earnings forfeited from a previous affiliate account
- 1099 Affiliates are considered non employees and have no-rights to company benefits or corporate programs
- 2. Affiliate commissions are earned on a monthly basis and are calculated as follows
 - a. Commissions are calculated based on the previous month active memberships paid as of the last day of the previous month
 - b. Commissions are paid on or before the last day of the following month from the previous month's active memberships paid as of the last day of that month
 - c. Chargebacks or refunds may be deducted from previous months in future months commissions earned and will be shown within the monthly payout report
- 3. **Bonuses:** Affiliate Bonus payouts are calculated at the time of achieving the active member milestone and are paid out net 30 from the last day of the previous month where the active member milestone was achieved.
 - a. Each Bonus for Active Monthly Members milestone will only be paid out one time
 - i. Example: If an affiliate achieves 5,000 active members, they will be paid a one time bonus of \$250.00.
 - ii. If the active memberships in the affiliate Tier 1 personal sales volume falls below 5,000 and then reaches or exceeds the 5,000 active memberships milestone again, they will not receive a second bonus.
 - b. Affiliate Fast Start Bonuses are earned on Personal Tier 1 Sales Volume only
 - Tier 1 Personal Sales Volume is defined as Memberships sold by businesses directly signed up by the Affiliate Sales Associate
 - ii. Affiliates will have 12 months to achieve the initial fast start bonus tiers
 - iii. Bonuses are not paid on Tier 2 team affiliate sales
 - c. Presidents Trip Eligibility
 - i. Once an affiliate achieves 100,000 or more active memberships sold Tier 1 or 200,000 active memberships sold aggregate between Tier 1 and Tier 2, they will be eligible for the All-Expenses Paid Presidents Trip in Q1 following the previous year in which they achieved the milestone.
 - ii. In order to maintain President status, the Affiliate has to maintain at or over 100,000 active Tier 1 members or 200,000 active Tier 1 and Tier 2 active memberships aggregate on the final day of the year, December 31.
 - iii. Presidents trip details will be announced at a date TBD



- 4. Promotions: Promotions are earned on Tier 1 Personal Sales Volume
 - a. A promotion to each new level of Affiliate Sales Associate title is earned on Tier 1
 personal sales volume
 - i. Example: If an Affiliate Partner Sales Associate achieves 100,000 active monthly members, in their Tier 1 Personal Sales Volume, they will receive a promotion from Sr. Partner Director to Executive Director
 - ii. If an Affiliate Partner Sales Associate falls below 100,000 active members, they will revert to the previous level
 - iii. If an Affiliate Partner Sales associate recruits Tier 2 Affiliate Sales associates and Tier 2 active members reaches a new level of active monthly membership, this will not affect the Affiliate Partner Sales Associate title or promotion

Premier Partner Program

- A. A Premier Partner is a business that signs up to sell PassPass. A business is defined as having more than 1 employee. A Premier Partner can market and sell the PassPass through various means including but not limited to direct channels via the affiliate link provided by PassPass, as well as directly through the PassPass app if a member signs up through the app when unlocking a deal.
- B. A Premier Partner can also sign up separately as an affiliate and refer other businesses to the PassPass Premier Partner Program.
- C. If an Affiliate also owns a business as a primary shareholder or manager (over 25% ownership) and wants to sign up their business as a Premier Partner, the Affiliate can sign up their own business, however, they will not earn Affiliate commissions on any business where they are a primary shareholder or manager (ie. Over 25% ownership). In addition, they cannot sign up a Tier 2 affiliate that signs up their business and earn Tier 2 override commissions. This practice is considered "double-dipping" and will not be permitted.
- D. If an Affiliate works for a business and is not a primary shareholder of the business, they are eligible to sign up the business and earn commissions on Tier 1 and Tier 2 sales.
- E. If an Affiliate is found to have signed up a business where they are a Primary Shareholder (Over 25% ownership) they will forfeit affiliate earnings from this business and are subject to clawbacks (forfeiture and payment of past commissions earned) and memberships from the business will not count towards overall personal sales volume as an Affiliate. This is deemed against policy and



- the Affiliate could be liable for additional actions including account suspension or termination as deemed appropriate by PassPass.
- F. For a Premier Partner to maintain their active status with PassPass they must maintain the following:
 - a. At least 1 Active PassPass member per month
 - b. An active daily deal and InstaPerk in the marketplace
- G. If a Premier Partner goes inactive for more than 60 days, their account is subject to being suspended or terminated.
- H. If a Premier Partner account is closed, they are no longer eligible to receive future earnings from paid members, however, they will be able to withdraw past earnings as long as they maintain a synced bank account within PassPass.
- I. If a Premier Partner account is inactive or suspended for breaking the terms of service of PassPass, they may no longer be eligible to receive commissions from paid members, however, if they were referred to the PassPass Premier Partner program by a Partner Affiliate, as long as the Partner Affiliate is active, they will continue to receive commissions on all active paid memberships originated by the Premier Partner.

Additional Terms and Provisions

- **1. Sales Targets:** There are no mandatory sales targets for earning the direct sales commission.
- **2. Training & Support:** PassPass will provide necessary sales training and support materials to all Affiliate Sales Associates to help them effectively sell the memberships and recruit a productive sales team.
- **3. Marketing & Advertising:** Associates are permitted to use approved marketing and advertising materials provided by PassPass. Any personal marketing efforts must adhere to PassPass's brand guidelines.
- **4. Compliance and Ethics:** Affiliate Partner Sales Associates are expected to follow ethical sales practices. Misrepresentation of the product or misleading sales tactics will result in immediate termination of the affiliate agreement and forfeiture of all accrued and future commissions. All affiliates must adhere to the <u>Corporate Personal Conduct Policy</u>